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Implementation Guidelines for Authorizing Appointments Above the Minimum Rate

1. Overview

These guidelines set forth USAID's policies, criteria, responsibilities, and procedures for making appointments above the minimum rate of a grade.

The Agency may set pay for new appointees to General Schedule positions above the minimum rate (step 1) of the grade based on superior qualifications of the candidate or a special need of the Agency for the candidate's services.

2. Responsibilities

- a. The immediate supervisor is normally the recommending official responsible for initiating a request to make an appointment above the minimum rate, in conjunction with filling a vacancy in his or her office.
- b. The Administrative Management Staff (AMS) is responsible for
 - Advising supervisors on use of superior qualification appointments and on the preparation of justification packages;
 - Determining whether a supervisor's justification addresses the criteria for authorizing an advanced rate and meets requirements set forth in these guidelines; and
 - Keeping the supervisor apprised of the status of the request for an advanced rate of pay.
- c. The Office of Human Resources, Personnel Operations Division (M/HR/POD), or the Office of Inspector General, Office of Management (IG/M), is responsible for
 - Reviewing and evaluating the justification package to ensure that the candidate meets all the requirements for an advanced rate of pay;
 - Completing and approving an Appointment Above the Minimum Rate Approval Form; and
 - Processing the personnel action effecting the appointment above the minimum rate.

3. Use of This Pay Authority

The Agency will use this authority to match existing pay only when necessary to recruit specific candidates who possess unusually high qualifications or unique experience and skills that meet a special Agency need.

M/HR/POD or IG/M will authorize appointments above the minimum rate on a case-by-case basis. Advanced rates will be authorized based on a written justification by the employing USAID/W Bureau or Office addressing the candidate's existing pay and the candidate's superior qualifications or special Agency need for the candidate's services (see section No. 7, Criteria for Approving an Appointment Above the Minimum Rate).

4. Applicability

This authority may be used when filling positions subject to the General Schedule from GS-1 to GS-15. This authority will be used to fill both permanent and temporary positions. These positions may be in either the competitive or excepted service.

Appointments above the minimum rate may be authorized to newly appointed employees. This includes employees on their first appointment to the Federal Government. It also includes former Federal employees (who previously held any type of Federal appointment) following a break in service of at least 90 days.

This authority normally cannot be used for a current Federal Government employee who is moving to a different job. In limited situations, this authority may be used when the individual is working in a position that is not full-time, permanent, or the principal employment of the candidate, in accordance with exceptions found in 5 CFR 531.203(b).

5. Conditions for Approval

M/HR/POD or IG/M must approve an appointment above the minimum rate before the employee enters on duty in the new position.

The requesting official, normally the immediate supervisor, must submit a written justification for making an appointment above the minimum rate of the grade, including the rationale for the proposed rate. The supporting justification must address the criteria in section No. 7.

M/HR/POD or IG/M has authority to approve appointments above the minimum rate of a grade up to step 10 of the grade. In rare cases, an advanced rate may be approved in excess of the candidate's existing pay or bona fide job offer where recruitment efforts encounter an unusually competitive labor market. In such a case, the individual selected must have highly specialized skills that will benefit the Agency and that will make the candidate better able to perform the work than current employees or other candidates who were recruited. The advanced rate cannot be more than 10 percent higher than the candidate's existing pay or bona fide offer.

6. Factors To Be Considered in Making Appointments Above the Minimum Rate

A number of factors need to be considered by supervisors in deciding whether to request an appointment above the minimum rate and in determining the rate of the starting salary. The existing pay of a candidate is only one factor to consider when authorizing appointments above the minimum rate. The existing pay of the candidate should always be considered in

combination with the superior qualifications of the candidate or the special need of the Agency for the candidate's services.

a. Existing Pay

Existing pay includes the candidate's actual income from the current position or a position for which the candidate has a current, firm offer. In addition to salary, actual income may include

- Overtime pay for work performed on a regular, continuing basis which will not be available in the Federal position;
- Bonuses and consulting pay where there is a pattern of continued earnings; and
- Fringe benefits that are substantially better than those offered by the Federal Government.

b. Superior Qualifications

Superior qualifications may be based either on the relevance of the candidate's experience and education to the particular work requirements of the position to be filled or on the quality of the candidate's accomplishments compared to others in the field. A determination of superior qualifications needs to be based on a realistic assessment of the overall quality of available candidates and the particular requirements of the position to be filled.

For example, if many applicants show high level experience or education directly pertinent to a position, a superior candidate might be expected to demonstrate outstanding reputation in the field through lectures or leadership roles in professional organizations. A superior candidate may possess advanced degrees, have published articles, or have interdisciplinary training relevant to the job.

On the other hand, when there is a shortage of qualified candidates for a position, a basically qualified candidate may be found superior without having unusual accomplishments. This may be based on a finding that the candidate is better able to perform the particular work requirements than other candidates who applied for the vacancy or who could reasonably be expected to respond to continued recruiting efforts.

c. Special Needs of the Agency

A special need involves situations clearly beyond the normal day-to-day management and operations of the Agency. This may be evidenced by the need to staff a major activity, conduct a new or important program or perform work to meet an emergency. The Agency may also have a need for the services of a particular candidate because the individual's unique combination of experience, knowledge and skills are essential to the accomplishment of a new initiative or a highly visible and important program.

7. Criteria for Approving an Appointment Above the Minimum Rate

The requesting official must prepare a written justification for making an appointment above the minimum rate with a rationale for the proposed rate that takes into account the following criteria

- Existing pay that the candidate would have to forfeit by accepting Federal employment;
- Other bona fide job offers (if any);
- A comparison of the candidate's past training and experience with that of other well qualified and available candidates;
- Role and potential impact of the candidate, for example, as leader or senior technical expert in an important program;
- Specialized knowledge, experience, or skills of the candidate that will benefit the Agency and that exceed those normally held by employees in the position;
- Average salary reported in published salary surveys for comparable private sector positions in the area, or other evidence of average salaries in the area for an individual with the candidate's qualifications (if available) based on information from the Department of Labor, state or local government agencies, or professional organizations;
- The reasons for requesting an advanced rate instead of or in addition to a recruitment bonus (see section No. 8, Relationship Between Appointments Above the Minimum Rate and Recruitment Bonuses); and
- A list of the recruiting sources used and efforts made to fill the position.

Supporting documents must be attached to the written justification including the candidate's resume or application, the position description for the position to be filled, statement of the candidate's income, and/or written offers of employment (if any).

8. Relationship Between Appointments Above the Minimum Rate and Recruitment Bonuses

The Agency may also provide recruitment bonuses of up to 25 percent of basic pay to an employee newly appointed to the Federal service or returning to the Federal Government after a break in service of at least 90 days. Recruitment bonuses may be approved based upon a written determination that the employing Bureau/Office would otherwise have difficulty in filling the job with a high-quality candidate. (Criteria for approval are found in ADS 467, Mandatory Reference Implementation Guidelines for Authorizing Recruitment and Relocation Bonuses, section No. 6.)

In rare cases, a candidate may receive both a recruitment bonus and an appointment above the minimum rate. However, before making such a recommendation, the supervisor needs to carefully consider the relative advantages and disadvantages of each form of payment.

- a. An appointment above the minimum rate permanently affects base pay. A higher rate of basic pay increases retirement, thrift savings, life insurance, and premium pay and has a continuing effect on the employee's future pay entitlement (for example, upon promotion and may affect the waiting period required for a within-grade increase). A

recruitment bonus is a single lump-sum cash bonus that does not affect an employee's grade or step.

b. An appointment above the minimum rate does not require a service agreement. A recruitment bonus is contingent upon the employee signing an agreement to work for the Agency for one year.

c. A recruitment bonus alone is not likely to attract a candidate whose current salary is higher than the step 1 rate. However, when an additional recruiting incentive is needed, a recruitment bonus may be preferable to a higher rate of basic pay when a supervisor is looking for an alternative to an advanced rate to attract a particular candidate.

9. Records and Evaluation

a. Each determination to authorize an appointment above the minimum rate must be documented on the Appointments Above the Minimum Rate Approval Form (AID Form 400-17).

b. The original Appointments Above the Minimum Rate Approval Form (AID Form 400-17) and the supporting justification from the recommending official will be filed on the left side of the employee's Official Personnel Folder for determinations made to authorize an advanced rate.

c. M/HR/POD or IG/M will periodically review and evaluate the use of this authority to ensure that each appointment above the minimum rate conforms to the regulations and requirements set forth in these guidelines.

10. Authority and References

These guidelines constitute the Agency's plan for authorizing appointments above the minimum rate. This plan meets the requirements in 5 U.S.C. 5333 and 5 CFR 531.203(b).

The following form and reference are required to comply with and fully evaluate the appropriateness of the application of the policy and procedures in this Mandatory Reference

- Appointments Above the Minimum Rate Approval Form (AID Form 400-17)
- Implementation Guidelines for Authorizing Recruitment and Relocation Bonuses

11. Definitions

bona fide job offer

A bona fide offer of employment at a higher rate than the candidate's existing salary must be in writing and must clearly offer current employment, be no more than six months old, and signed by an official with the authority to make the offer. Usually the offer will include job title, salary or salary range, location, and reporting date.

appointment above the minimum rate (also known as a superior qualifications appointment)

An appointment made at a rate above the minimum rate of the appropriate GS grade under authority of 5 U.S.C. 5333, because of the superior qualifications of the candidate or a special need of the Agency for the candidate's services.